

July 31, 2006

Federal Trade Commission  
Office of the Secretary, Room H-135 (Annex W)  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

Re: FTC Business Opportunity Rule, R511993

Dear Sir or Madam:

On behalf of AdvoCare International, L.P., a direct seller of high-quality nutritional products headquartered in Carrollton, Texas, I urge you to reconsider some parts of the proposed FTC New Business Opportunity Rule, R511993.

We, at AdvoCare, respect and understand the Federal Trade Commission's responsibility to protect the public from business opportunity fraud, a valuable service that can also protect the best interests of legitimate direct selling companies like AdvoCare. However, some of the sections of the proposed rule would make it extremely difficult for AdvoCare to continue as a business.

First, I oppose the seven-day waiting period. This long waiting period may cause undue uncertainty for the prospective Member and also for the prospective consumer. AdvoCare's sales kit costs only \$50. Consumers may purchase products that cost more than a kit and they do not have to wait the seven days. This waiting period also may imply that something is inherently wrong with our business, an unnecessary caution since AdvoCare already has a buyback policy for all products and the sales kit purchased by the Member within the last 12 months. Under the proposed new rule, our Members would also have to keep very detailed records of when they first speak to someone about AdvoCare, then send in reports to AdvoCare, and maintain those reports for at least three years. This process could become overly burdensome and time-consuming for our independent Members as well as a sizeable expense for our company.

Second, the proposed rule also calls for the release of any information regarding prior litigation and civil or criminal legal actions involving misrepresentation, or unfair and deceptive practices from the previous 10 years. It would not matter if AdvoCare is found innocent. In today's environment, anyone or any company can be sued for almost anything. AdvoCare sees little value in disclosing these lawsuits unless we are found guilty. Otherwise, we are put in an unfair light and advantage even if we have done nothing wrong or the claim has no relevance to a product purchase or the pursuit of a business opportunity. Therefore I propose that only relevant litigation references that would reinforce laws and Direct Selling Association (DSA) standards regarding direct selling activities be considered when offering an earning opportunity to the prospective Member.

Finally, the proposed rule requires the disclosure of individual salespeople or product purchasers geographically closest to the prospect. AdvoCare is willing to comply, but in this day and age of identity theft, we are very uncomfortable giving out the personal information of individuals, to strangers. Oddly enough, the requirement to provide references may result in lawsuits, which under the proposed rule, we would be required to report. Without any controls on the information that would be given out, personal details also could possibly be used by and benefit our competitors. People are vitally concerned about their privacy and identity theft, and so is AdvoCare.

I appreciate the hard work of the FTC to protect consumers, but believe that this proposed new rule would hinder the industry of legitimate direct selling, with disastrous repercussions for independent AdvoCare Members who follow the rules. I believe that there are less burdensome alternatives available in achieving the goals of protecting consumers as stated in the proposed rule.

Thank you for your time in considering my comments.

Sincerely,  
Mike Wade, Central Area Vice President of Sales

